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\*\*SC BRIEFIEG 4 May 1955

## ITALIAN COVERNMENT EXPECTATIONS

- I. Italy's new President, Giovanni Gronchi, will take office on 12 May at end of mati-clerical 81-year-old Luigi Einaudi's 7-year term. Custom demands that Italian presier Scelba tender his resignation by that date.
  - A. Gronchi has been president of Italy's chamber of deputies since '48: is leader of the lefter of the two "left wing" factions in Christian Democratic Party.
  - B. An anti-Communist, who favors Italy's pro-Western alignment, Gronchi advocates a Christian Democratic government based on collaboration with, support from all "democratic" factions. Reported upset by "bad" US press on his election, which implied he was leftist tool.
  - C. In his view, "democratic spectrum" ranges from
    Nenni Socialists on left through Monarchists on right.
  - One is anxious to split Nenni Socialists away from Communists, get them into a left-center coalition which would then have majority sufficient to push through needed socio-economic reforms.
  - E. As titular head of Italian Republic, however, Gronchi will be removed from political arena.

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- II. Gronchi may refuse Scelba's resignation, in view of:
  - A. Imminence of Sicily elections (5 June). These are first important elections since '53, and relative strengths of Italy's 8 major parties should be clarified.
- III. Another factor favoring Scelba's continuation is need for time to iron out problems of badly split Christian Democratic Party.
  - A. New rifts revealed in course of Gronchi's election, when Party's right and left wings (natural enemies) ganged up to defeat the candidates of both Scelba (center) and Fasfasi (moderate left).
  - E. Although Party's right and left wings still clash over question of social reform, they were united in demand that new president be a Catholic.
  - c. Finally, Scelba's continuation would provide needed time for re-examination of Christian Democratic relations with minor parties now in CD coalities who growing increasingly restive.
- IV. Should Gronchi accept Scelba's resignation, probabilities are against Italy's new government (which will still be CD-dominated) repeating present CD centrist immobility.

  Policies could shift to right, but more likely to go to left in view of:
  - A. Strength of left both in CD Party and in country;

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- R. Common fear that Scelba government's failure to carry out reform program is giving strength to Communists.
- C. Whether to left or right of center, new government's international orientation would remain same.
- V. Shoever is next premier, he will be Christian Democrat.

  Possible candidates currently mentioned by Italian press:
  - is disseppe Pella, former premier, right-wing CD economists who temporized with Communists while in office.
  - B. Adone Reli, CD Party president, considered "non-controversial."
  - C. Budget Minister Exic Vanoni, whose name given to large-scale 10-year Italian economic plan currently under consideration by OMEC. Vanoni has previously been mentioned as possible head of transition government between Scelba and CD Party Secretary Fanfani, currently in bad odor.
  - 0. Canfani, himself, without benefit of deorderizer.
  - settle question of his sincerity-by pushing through long-delayed reform legislation.